VZCZCXRO9254 OO RUEHCN RUEHGH DE RUEHIN #0219/01 0460959 ZNY CCCCC ZZH O 150959Z FEB 08 FM AIT TAIPEI TO RUEHC/SECSTATE WASHDC IMMEDIATE 8141 INFO RUEHBJ/AMEMBASSY BEIJING 7838 RUEHUL/AMEMBASSY SEOUL 9331 RUEHKO/AMEMBASSY TOKYO 9587 RUEHCN/AMCONSUL CHENGDU 2391 RUEHGZ/AMCONSUL GUANGZHOU 0941 RUEHHK/AMCONSUL HONG KONG 9099 RUEHGH/AMCONSUL SHANGHAI 1757 RUEHSH/AMCONSUL SHENYANG 6361 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC RHHJJAA/JICPAC HONOLULU HI RUEKJCS/SECDEF WASHINGTON DC RHHMUNA/USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 04 TAIPEI 000219

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SUBJECT: TAIWAN PRESIDENTIAL ELECTION COUNTDOWN: FIVE WEEKS

TO GO

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Classified By: AIT Acting Director Robert S. Wang, Reasons: 1.4 (b/d)

11. (C) Summary: Public opinion polls continue to show KMT presidential candidate Ma Ying-jeou leading the DPP's Frank Hsieh, though there are differences over the size of Ma's lead and whether it is shrinking or growing. Following the February 6-11 Lunar New Year holiday, campaigning is gradually picking up steam, with a heavy dose of mudslinging. Hsieh continues to hammer Ma for having had a U.S. green card, while some media and KMT politicians are now alleging or insinuating that Hsieh served as an informant for Taiwan's security services during the 1980s. The candidates will begin a series of five presidential debates on February 24. The DPP will hope to gain some ground on the KMT during these debates and also with a February 28 march and rally commemorating the 1947 "2-28" incident, during which thousands of people, including some important Taiwanese leaders, were killed. End Summary.

Polls Show Ma Continues to Lead

- 12. (SBU) Five weeks before the March 22 presidential election, public opinion polls continue to show KMT presidential candidate Ma Ying-jeou leading DPP presidential candidate Frank Hsieh, though there are differences over the size of the gap and whether it is widening or narrowing. February 14 poll conducted by the pro-KMT United Daily News (UDN) measures support for Ma at 56 percent and Hsieh at 18 percent, with undecided voters 25 percent. The 38 percent gap represents an increase of 7 percentage points from a January 26 poll by the same newspaper. A February 11-13 poll commissioned by the politically neutral Apple Daily on February, however, shows the Ma-Hsieh gap shrinking. The Apple Daily poll puts Ma ahead 36 to 20 percent, with 44 percent undecided. The 16 percentage point lead enjoyed by Ma in this poll is down 9 percentage points from a similar poll conducted from January 13-16. The newspaper ascribed the reduction in Ma's lead to recent negative attacks by Hsieh on the KMT candidate.
- 13. (C) According to a recent UDN article, KMT internal polling from early February shows Ma has a 26 percentage

point lead over Hsieh, which would indicate that the negative attacks on Ma for having had a U.S. green card have had little effect on voter preferences. DPP contacts, however, have told AIT that the DPP's internal polling shows the gap is only somewhat over 10 percentage points, a figure one party official asserted is "more realistic" than the more than 20-point gap appearing in pro-KMT media polls in late January (reftel). DPP and Hsieh campaign officials expect Hsieh to pull closer in the final month, but concede he still faces an "uphill battle" to win the election.

- 14. (C) TECRO Council Member Corey Chen, a close advisor to Frank Hsieh, told AIT on February 1 that internal DPP polling suggests the green card issue has reduced support for Ma by 10-11 percentage points, with most of the decline moving to the "undecided" category. Although support for Hsieh has gone up 3 percentage points, this is within the statistical margin of sampling error. Ma's lead over Hsieh is slightly more than 10 percentage points, and about 30 percent of those polled are undecided. Chen believes Hsieh is now within reach of 45 percent of the expected vote, but will need an additional 7 percent to win on March 22. The 7-percent target group tends to be middle class and non-partisan, to have international experience, and to think for themselves.
- 15. (C) Both campaigns are working hard to shore up and expand their constituencies. Electoral battlegrounds include southern Taiwan and the central cities and counties of Taichung, Changhua, Yunlin, and Nantou. Ma is spending considerable time in southern Taiwan, hoping to build on the KMT's relatively strong showing in the January legislative elections in this traditionally pro-DPP region. Hsieh must win big in the south to offset expected losses in the north.

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In central Taiwan, where the local KMT party machine appears to have revived after strong showings in the 2005 local and 2008 legislative elections, Hsieh will work to fight Ma to a draw in order to win the overall contest.

16. (C) Former legislator Shen Fu-hsiung, who quit the DPP last October, told AIT on February 13 that he expects KMT candidate Ma Ying-jeou to win the March 22 presidential election by 2 - 2.5 million votes (18 percent plus or minus 3 percent). If Ma is able to resolve concerns raised by his green card, he will win by 2.5 million votes, Shen predicted. Although the green card issue has cost Ma 3-5 percent in southern Taiwan and 2 percent island-wide, this issue resonates only with Green supporters and has not diminished Ma's standing with Blue and swing voters. Using the green card, Hsieh has succeeded in making an issue out of nothing, a reflection of Hsieh's "sneaky" approach, Shen asserted.

Negative Campaigning

17. (C) The presidential campaign is picking up steam, resuming its previous negative tenor after a partial respite during the February 6-11 Lunar New Year holiday. Hsieh has again taken up the green card issue, challenging Ma to "complete his winter holiday assignment" by producing an old passport that supposedly would help clear up questions about the status of Ma's green card. Ma is declining to answer Hsieh's new round of questions, trying to avoid becoming further mired in a DPP trap. Shen told AIT that Hsieh's return to the green card issue suggests he does not have a large quiver of other negative issues to aim at Ma, as many have expected. Shen attributed Ma's problems in handling the green card issue to his young and inexperienced team of advisors and to Ma's own "simplicity" (lack of guile), which is Ma's shortcoming as well as his strength. By contrast, Hsieh is "sneaky," Shen added. To counter the DPP's attacks on Ma, KMT legislator Chiu Yi and some pro-Blue media outlets have picked up on an article in the sensationalist magazine Next, launching a fierce round of allegations against Hsieh, insinuating he had served as an informant for the Ministry of Justice Investigation Bureau during the 1980s.

- 18. (C) DPP Policy Planning Deputy Director Chao Chia-wen told AIT on February 1 that Ma's mishandling of the green card issue has helped boost DPP morale, which had been at an all time low after the legislative election defeat. Chao argued that Ma's weak crisis management in this circumstance showed he would be a poor leader. DPP supporters have renewed confidence Ma will make even bigger mistakes in the coming weeks that could cost him the election.
- ¶9. (C) Similarly, TECRO's Corey Chen said the DPP attacks on Ma Ying-jeou over the green card issue have had a "cathartic" effect on Hsieh's campaign team, which had been reeling from the legislative defeat. Presidential Office Deputy Secretary General Chen Chi-mai and some former legislators including Hsieh Hsin-ni are especially excited and anxious to continue negative attacks, which they believe have been very effective. Concerned that unbridled negative campaigning is likely to drive away middle voters, however, Chen believes the way to appeal to them is by promoting the international themes Hsieh laid out during his trip to Japan.
- 110. (C) Shen Fu-hsiung, however, maintained that the DPP overall is deeply demoralized from its legislative defeat and has failed to do any self-examination of the reasons for its poor performance in the January 12 elections. In addition, Hsieh is not receiving needed support from rival DPP factions or from defeated LY candidates, who appear glum in campaign appearances on stage with the presidential candidate, Shen asserted.

Presidential Debates Ahead

 $\P 11.$ (SBU) The candidates agreed on February 11 to participate in a series of five presidential debates and one vice-presidential debate before the election, and these

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televised debates will attract a great deal of media and public attention. Presidential debates will be held on February 24 and 29 and March 7, 9, and 14. The February 24 and March 9 debates, organized by five local media outlets, will feature direct, lively exchanges between the candidates themselves and with selected members of the audience. The three other presidential debates, plus the vice presidential debate on March 10, are organized by the Central Election Commission in a more rigid format under which candidates state their policy views by turns. Because each CEC session will have two rounds, however, this format also will allow candidates ample opportunity to challenge their opponent.

112. (C) Corey Chen predicted that Hsieh, widely acknowledged to be a strong debater, will gain points against Ma in the upcoming debates. Shen Fu-hsiung, however, said Hsieh had made a weak presentation at a recent symposium of young professionals he had attended. Hsieh had seemed unprepared and used his time to make jokes rather than discuss policy seriously. Ma had made a better presentation at the same symposium, and Shen predicted that Ma will at least be able to hold his own in the upcoming debate cycle.

The UN Referenda

113. (C) On February 13 Hsieh called for talks between the DPP and KMT to discuss a solution for the two competing UN referenda. Hsieh said he would ask President Chen to try to arrange another meeting with the KMT aimed at seeking a compromise that would boost the chances of a UN referendum's passage. Hsieh also announced the DPP would encourage supporters to vote for the DPP-backed UN referendum but would not discourage people from participating in voting on the KMT-backed version. Hsieh urged the KMT not to boycott the balloting, arguing that failure to pass a UN referendum would

cause great harm to Taiwan. Corey Chen explained to AIT that Hsieh wants to "neutralize" the referendum issue because of the negative international reactions to the DPP's UN referendum. Despite his call for President Chen to work out a compromise version, Hsieh is opposed to calling a "defensive referendum" because such a step would imply that Taiwan is facing a real crisis, Corey Chen added.

114. (C) Shen Fu-hsiung predicted both referenda will probably fail because many Blue supporters do not want to participate and the KMT, although unlikely to explicitly boycott its own UN referendum, will downplay the issue. Sher claimed credit for having first suggested to the KMT that it propose its own referendum to counter the DPP's UN referendum. The CEC announced on February 13 that a series of five televised debates on the two UN referenda will be held on February 27 and March 1, 2, 5, and 8.

Plans for "2-28" Commemoration

115. (C) The DPP will hold a march on February 28 from Sanchong City in Taipei County to a stadium in Taipei City, where there will be a rally, to commemorate the tragic 1947 "2-28" incident during which thousands of people, including some important Taiwanese leaders, were killed by KMT troops brought from the mainland to put down an uprising against a corrupt provincial administration. President Chen, Hsieh, and other DPP leaders are expected to join up in Sanchong with the last leg of a youth walk that started from southern Taiwan over the New Year holiday, and the DPP hopes to have 100,000 people at the rally in Taipei. Shen Fu-hsiung doubted that this year's 2-28 activities will generate anything like the enthusiasm the party achieved with its 2-million strong island-long hand-in-hand rally in 2004. The youth walk has so far received limited publicity and, according to Shen Fu-hsiung the participation of several DPP elders has given the march a Deep Green cast that will not help the party's efforts to appeal to moderate voters.

Comment

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116. (C) Because of the Lunar New Year holiday hiatus last week, the tempo of campaigning here is still rather relaxed, and apart from media news coverage, there is little outward sign in Taipei that there will be an important presidential election in five weeks. We expect campaign intensity to pick up after the first presidential debate on February 24. WANG